



Getting from Here to There: Population Health Improvement in the ACA Era

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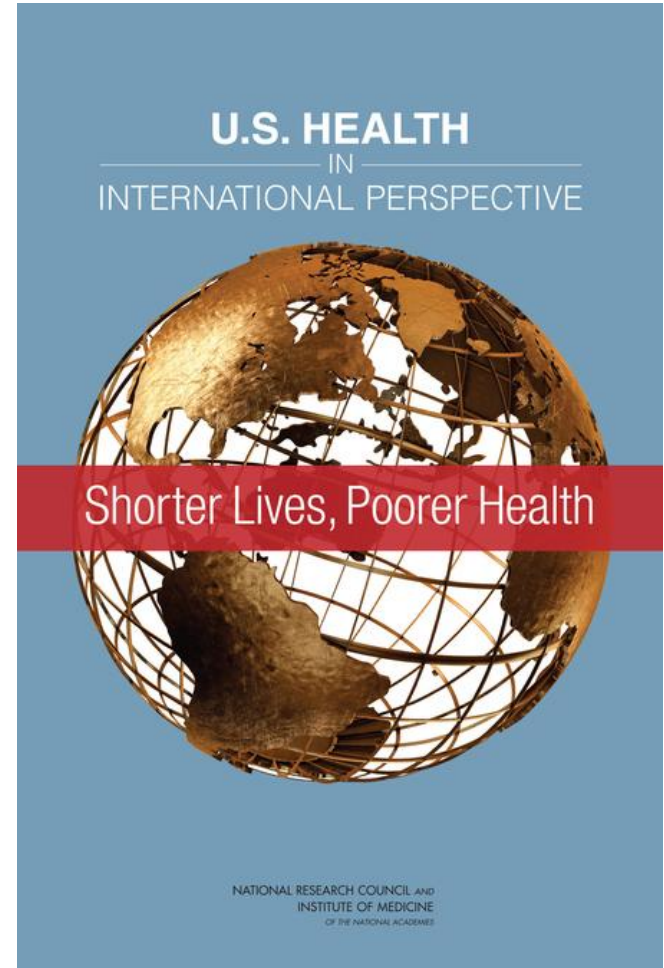
Agenda

- Challenges
- Alternatives
- Next Steps
 - ACA
 - Confronting Costs
- Recent Developments
- Implications for Public Health

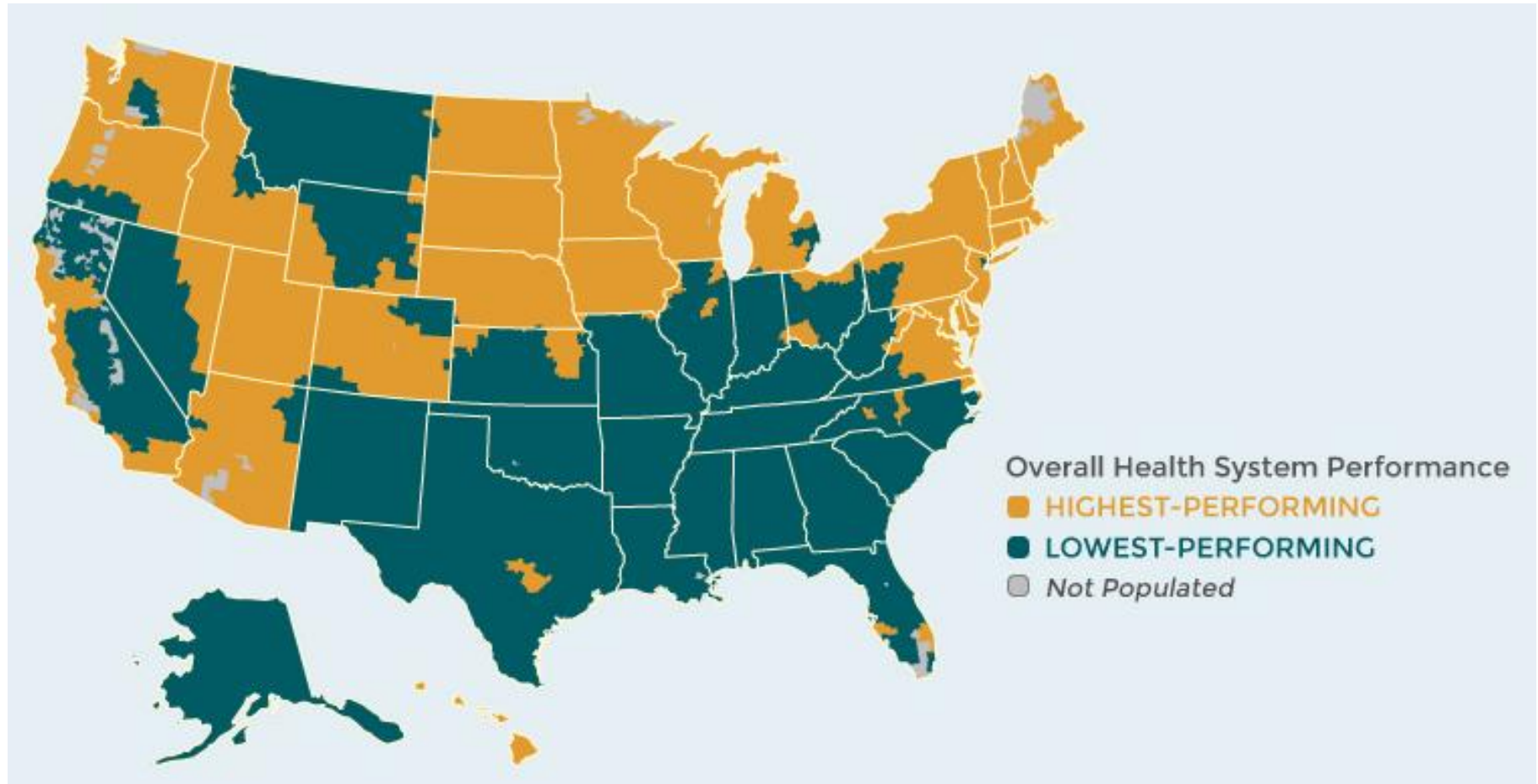


U.S. Health in International Perspective: Shorter Lives, Poorer Health

- Americans live shorter lives and are in poorer health at any age
- Poor outcomes cannot be fully explained by poverty or lack of insurance
- White, insured, college-educated, and upper income Americans are in poorer health than their counterparts in other countries




When it Comes to Health Care, There are Two Americas



COST

- \$Billions in unnecessary and wasteful spending
- Overuse puts patients at risk, drains resources, and makes healthcare less accessible and less effective



A BROKEN SYSTEM

QUALITY

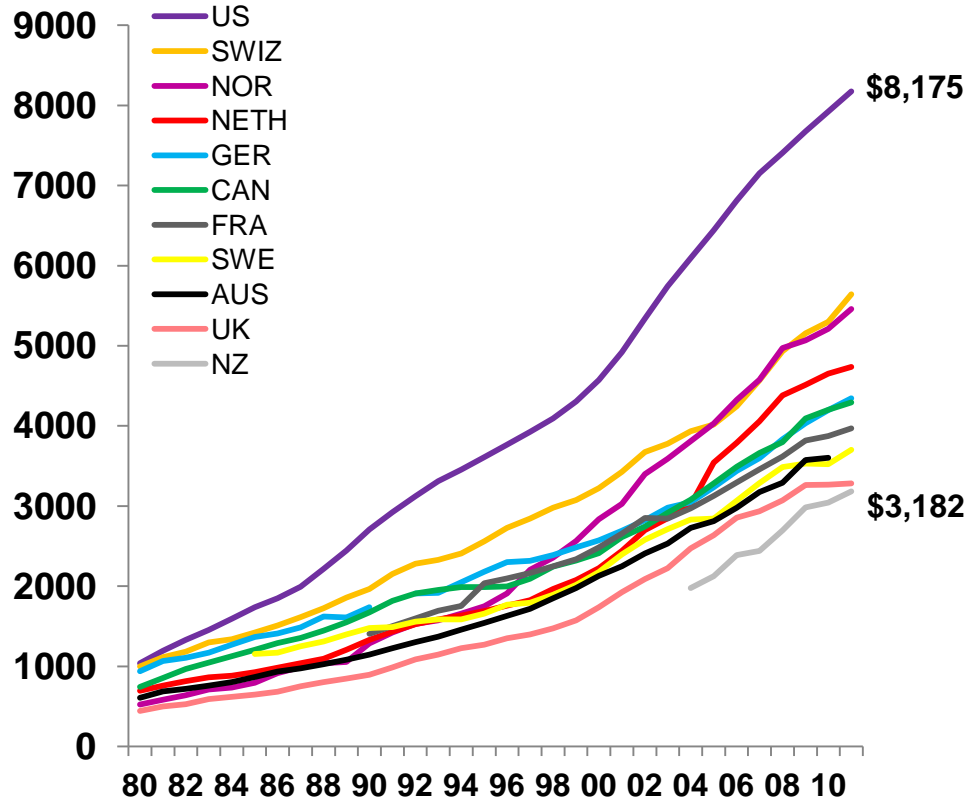
Despite rapid advances, thousands of patients die each year from medical error

COVERAGE

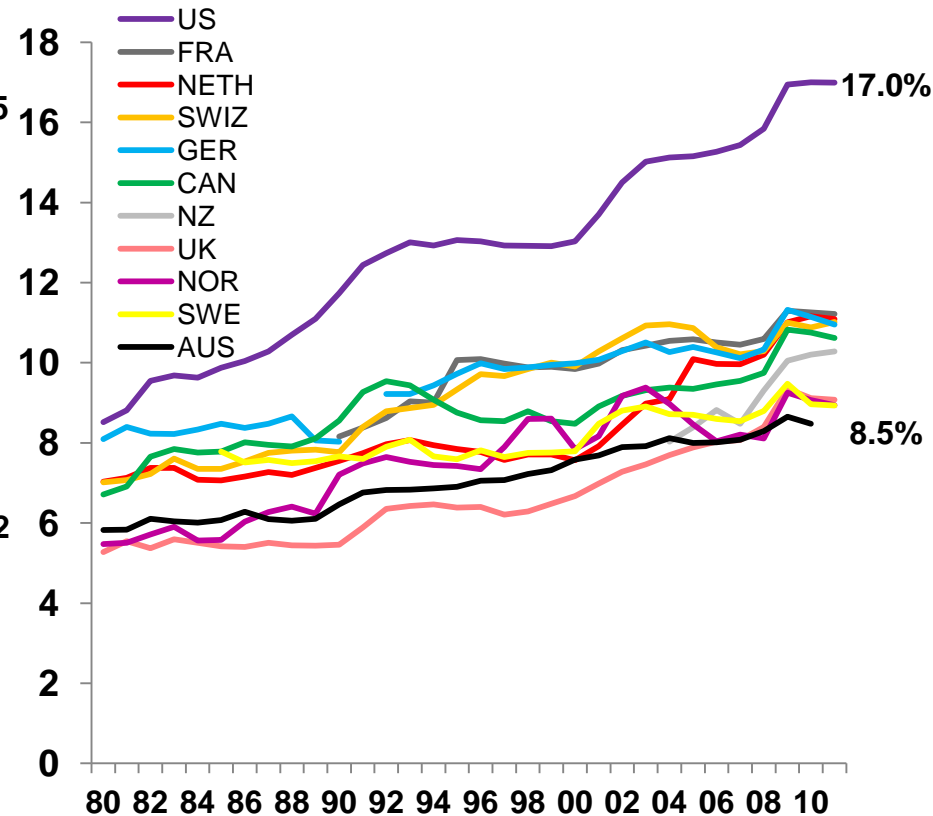
55 million uninsured; many more underinsured

International Comparison of Spending on Health, 1980–2011

Average spending on health per capita (\$US PPP)



Total expenditures on health as percent of GDP

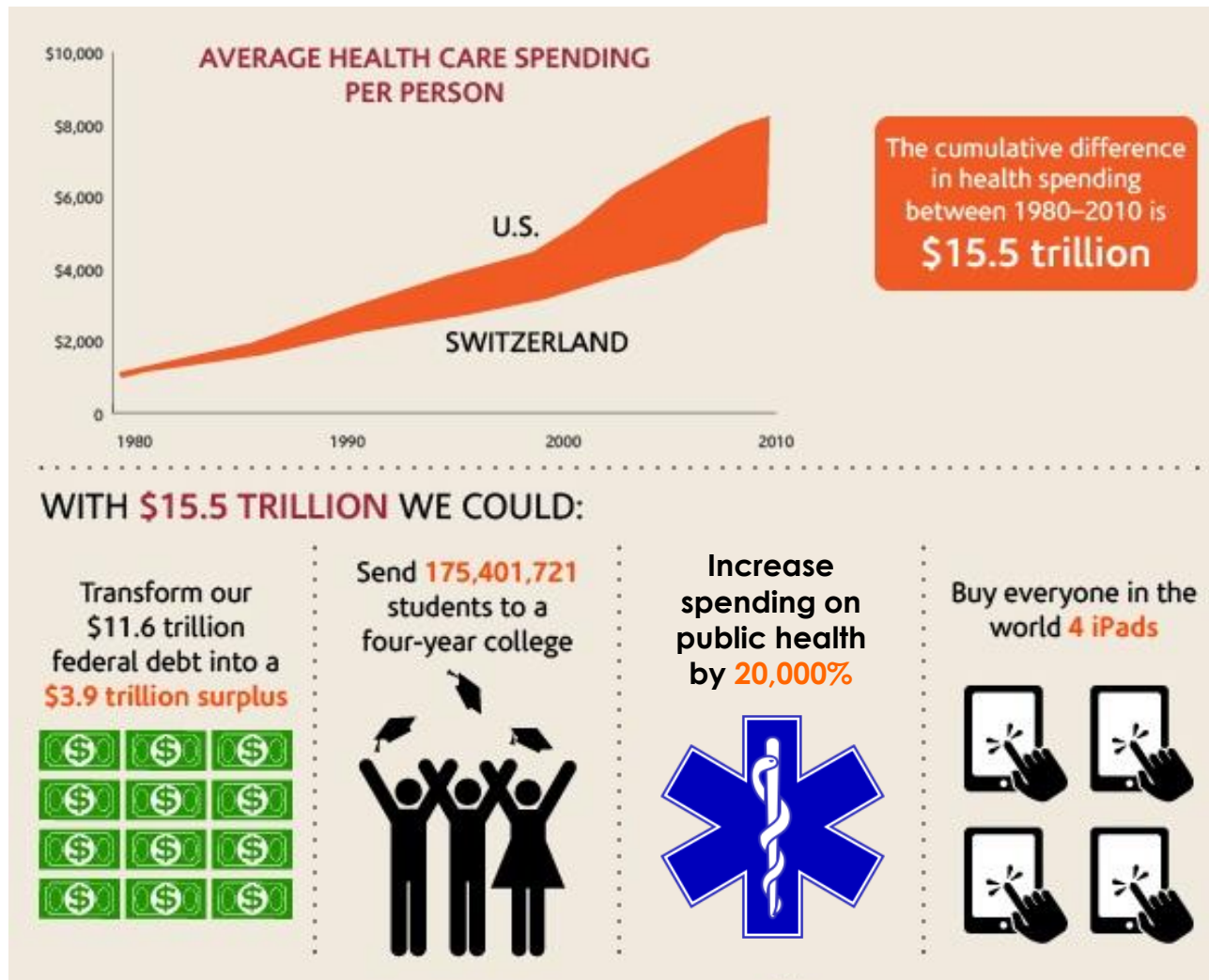


Note: \$US PPP = purchasing power parity.

Source: Organization for Economic Cooperation and Development, *OECD Health Data, 2013* (Paris: OECD, June 2013).



Looking Back: What We Could Have Saved if We Had Matched the Next Highest Country (Switzerland)



Note: Per capita spending amounts adjusted for differences in cost of living, total U.S. savings adjusted for inflation.

Source: D. Squires, *The Road Not Taken: The Cost of 30 Years of Unsustainable Health Spending Growth in the United States*, (New York: The Commonwealth Fund Blog, March 2013).



Health Policy at a Fork in the Road

**Benefit and
Price
Reduction**



**Fundamental
Delivery
System
Reform**

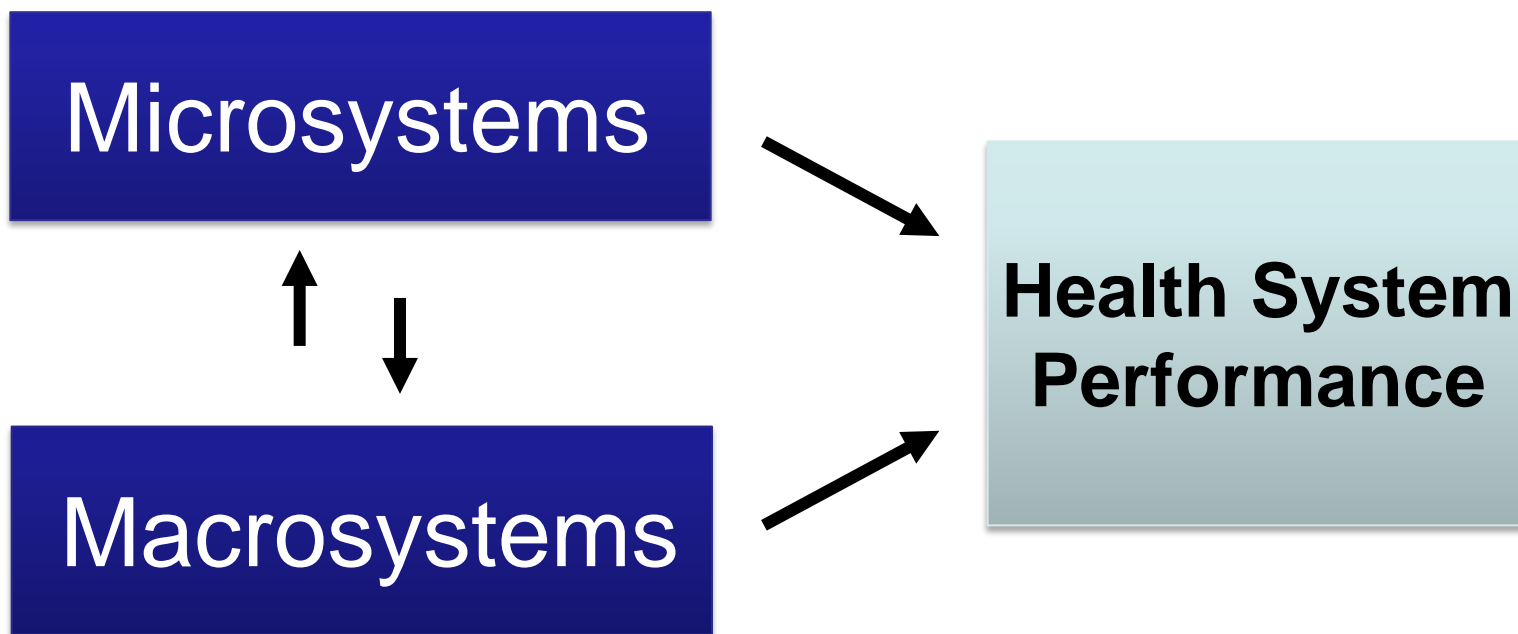
Regardless of how you envision the role of government, health care and the markets in which it's purchased need to be improved



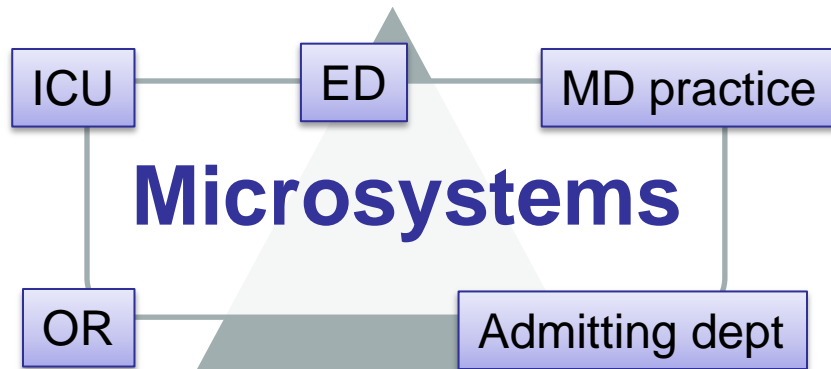
Cost Control is Job 1

We can't approach our health system problems until we get costs under control

Improving Performance



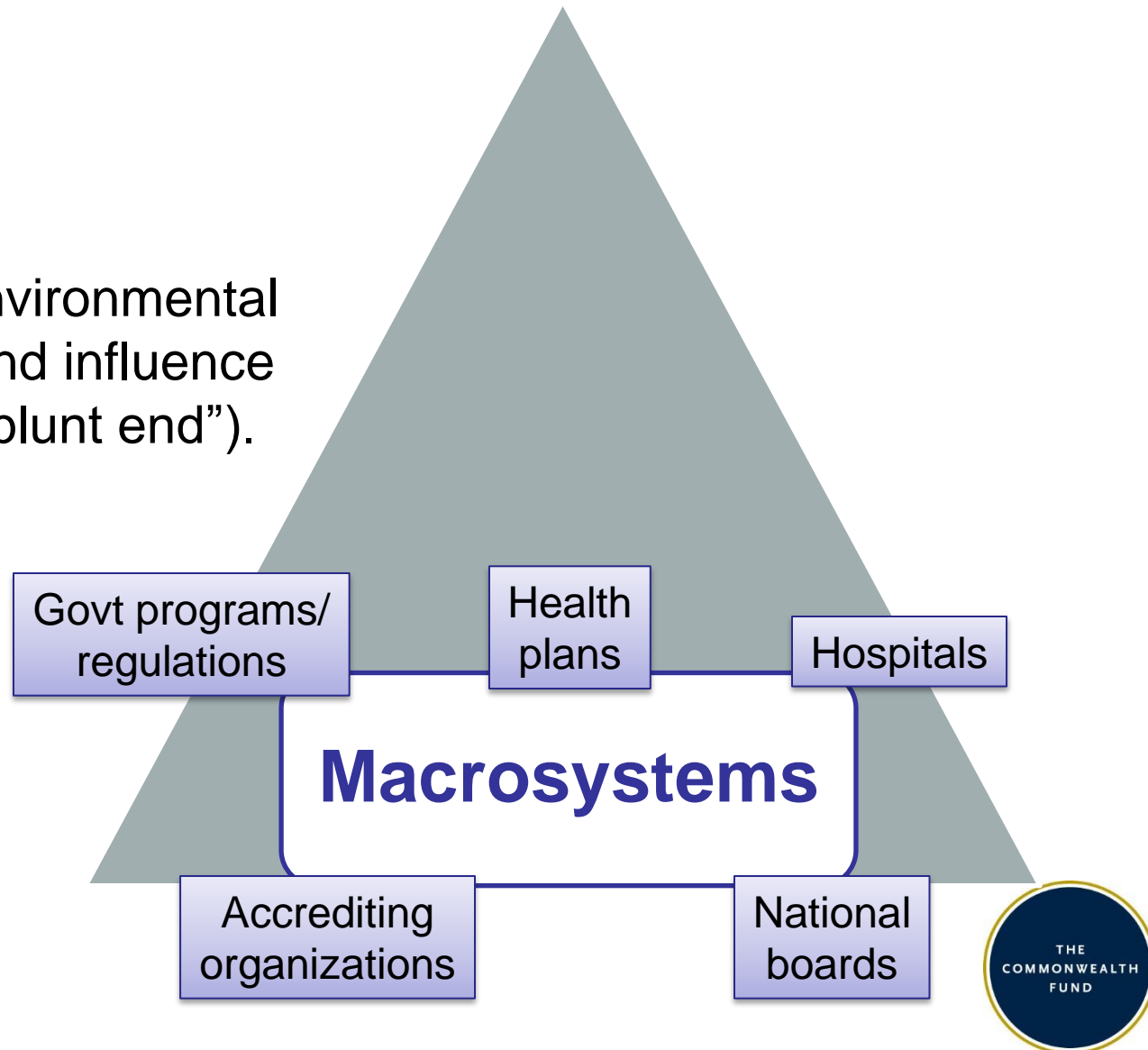
Microsystems



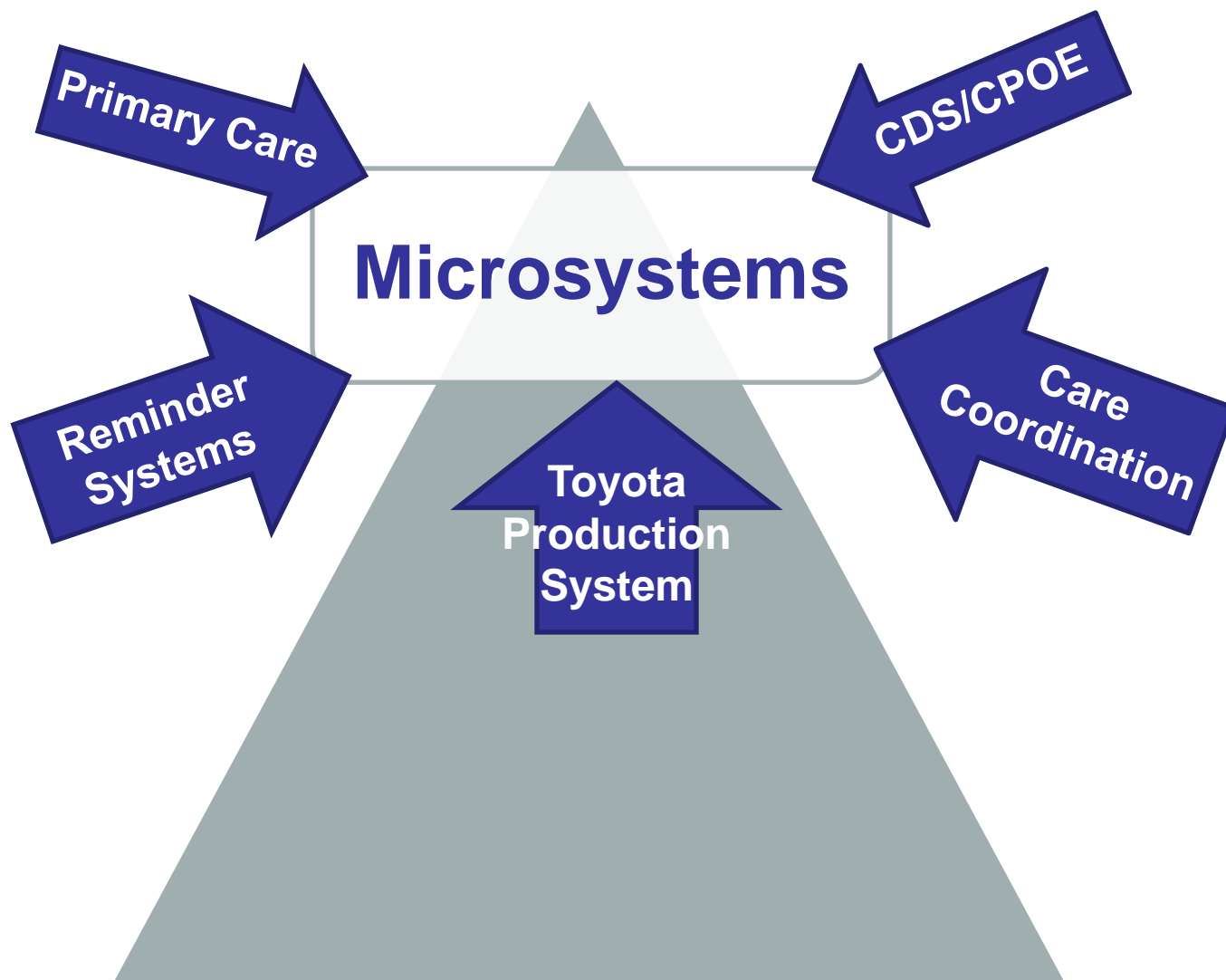
People, processes and practices that interact directly with patients or support patient care at the local level (the “sharp end”).

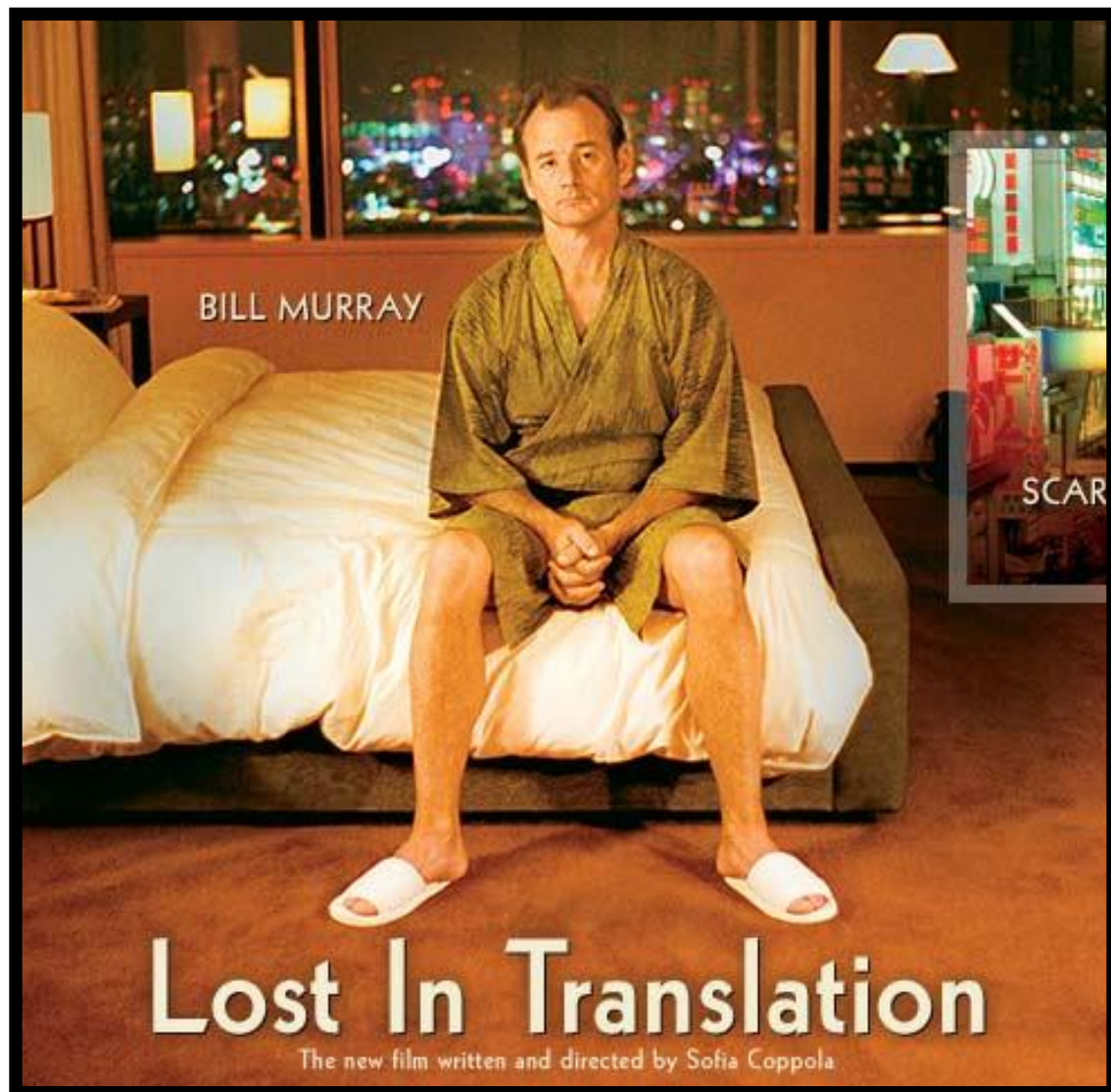
Macrosystems

Organizations and environmental forces that support and influence microsystems (the “blunt end”).



Interventions That Work: Microsystem





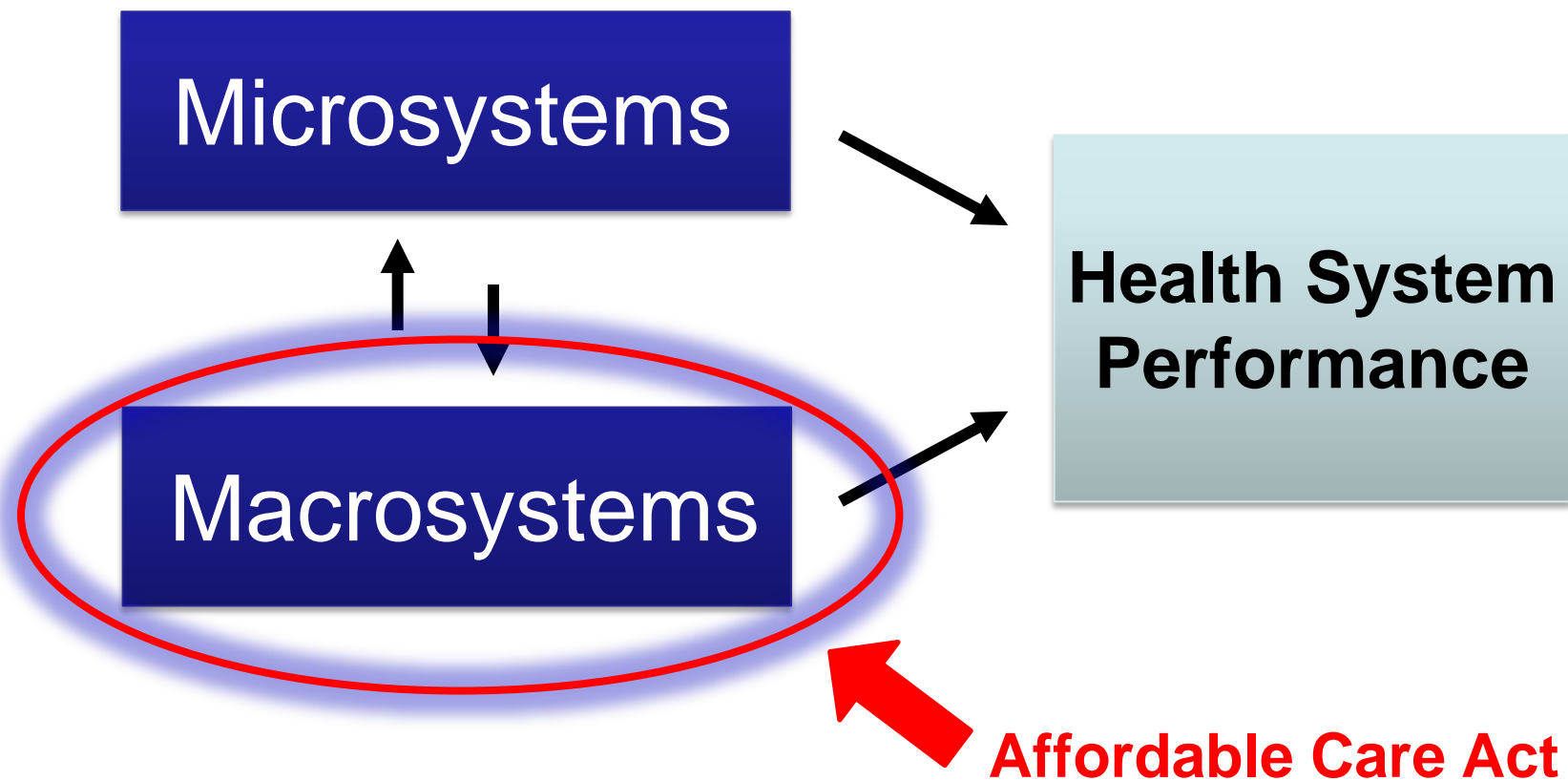
Macrosystems

**We have failed to create macrosystems
that encourage and support use
of these solutions,
thereby changing the behavior
of large numbers of microsystems
and raising the performance
of the health care system as a whole.**

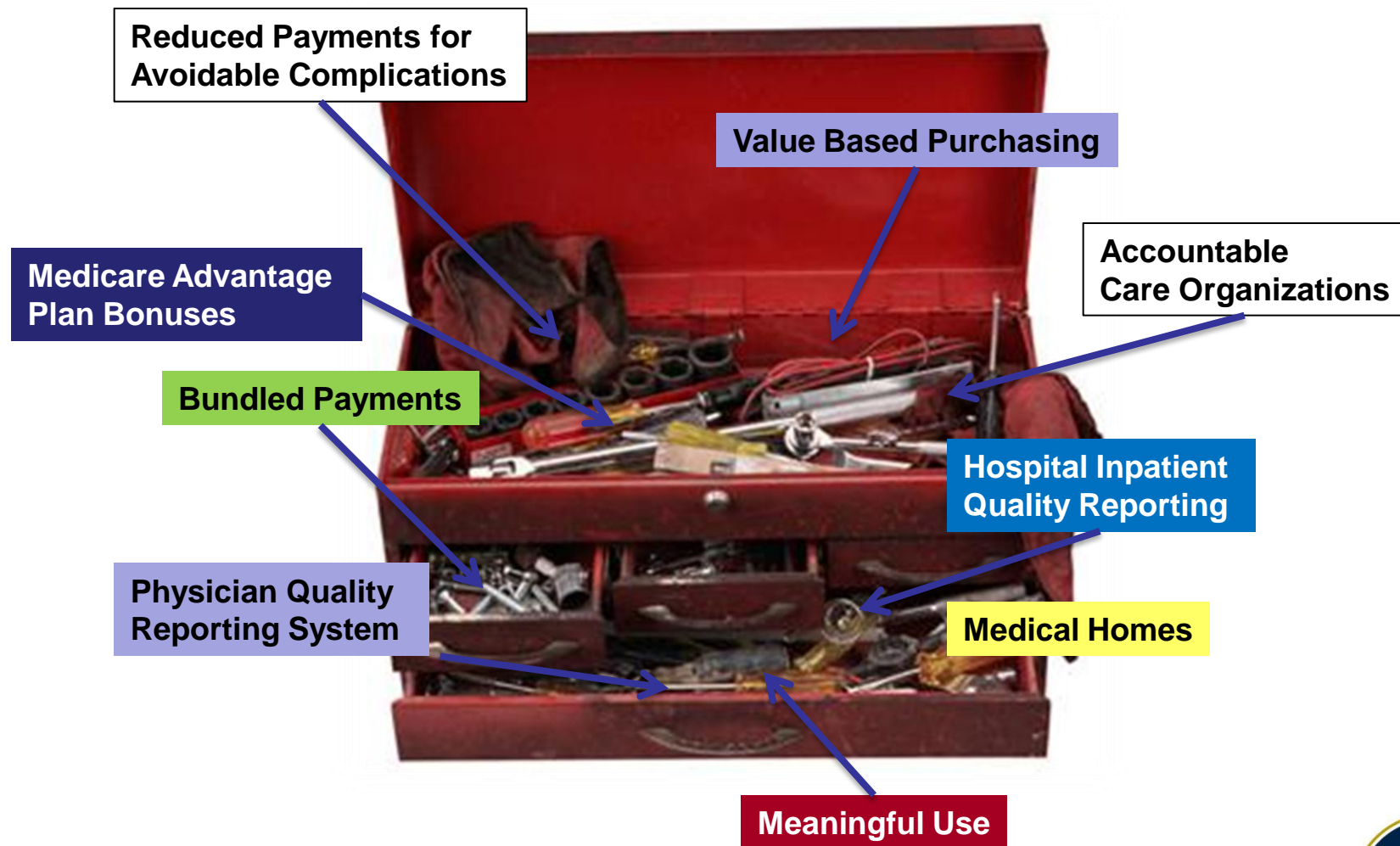
Fundamental Delivery System Reform

**We need to make it easier to do the
right thing...**

Improving Performance



The Affordable Care Act



Many Frameworks for Controlling Costs



BROOKINGS



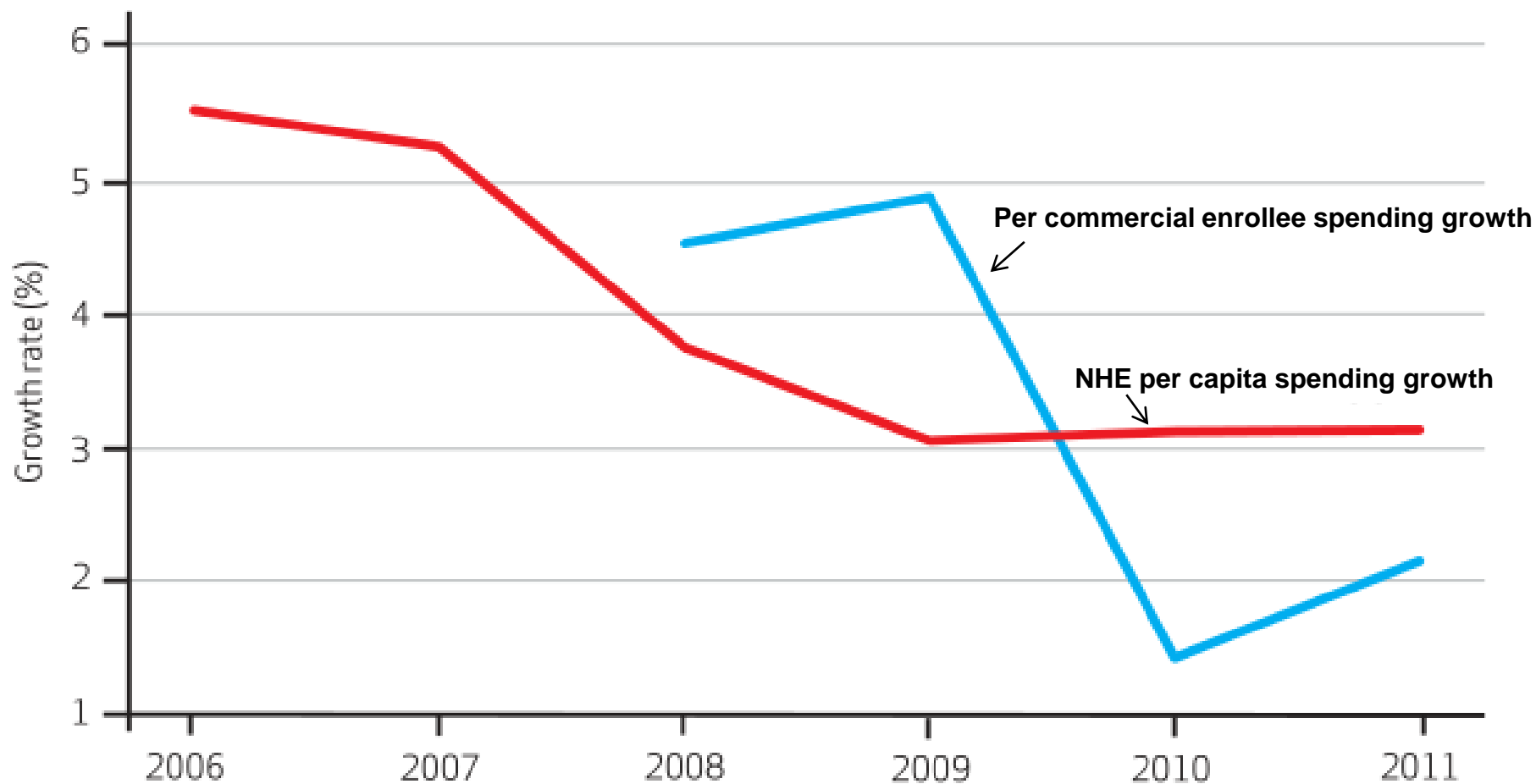
Shared Approaches to Confronting Costs

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- Provider payment reform
 - Repeal Medicare sustainable growth rate formula
 - Move from paying for volume to paying for value
 - Enhance support for primary care
- Delivery system reform
 - Tie payment reform to improvements in health care delivery
 - Encourage development and implementation of innovative delivery models
- Medicare reform
 - Improve financial protection for beneficiaries
 - Provide positive incentives for choosing high performing providers
- Consumer/patient engagement
- Enhancing performance of health care markets
 - Increase transparency of quality and cost information
 - Eliminate administrative inefficiency



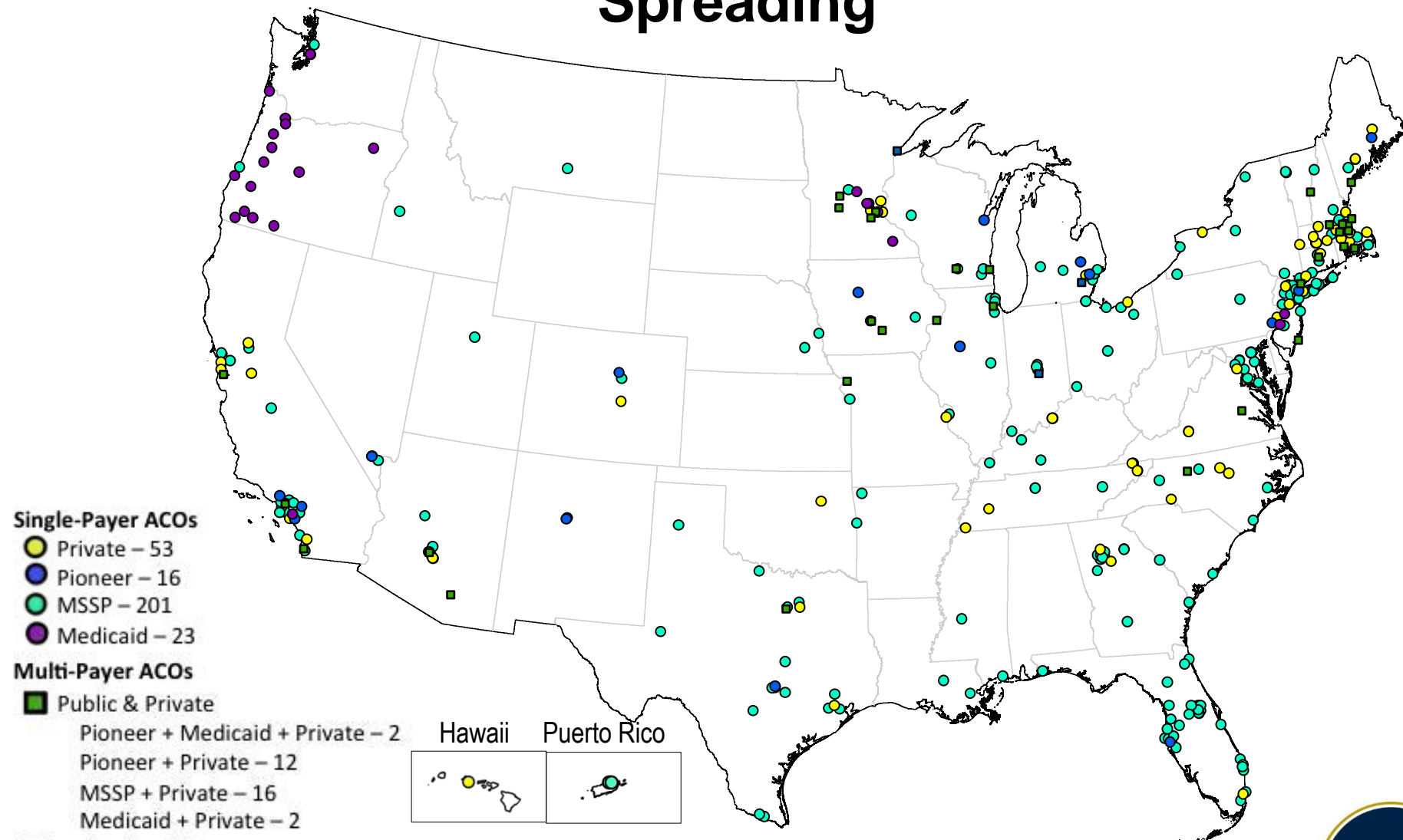
There is Some Good News: Spending Growth Rate Has Slowed Recently



Source: Ryu AJ, Gibson TB, McKellar MR, Chernew ME. The slowdown in health care spending in 2009-11 reflected factors other than the weak economy and thus may persist. *Health Aff (Millwood)*. 2013 May;32(5):835-40.



More Good News: Integrated Care Movement is Spreading

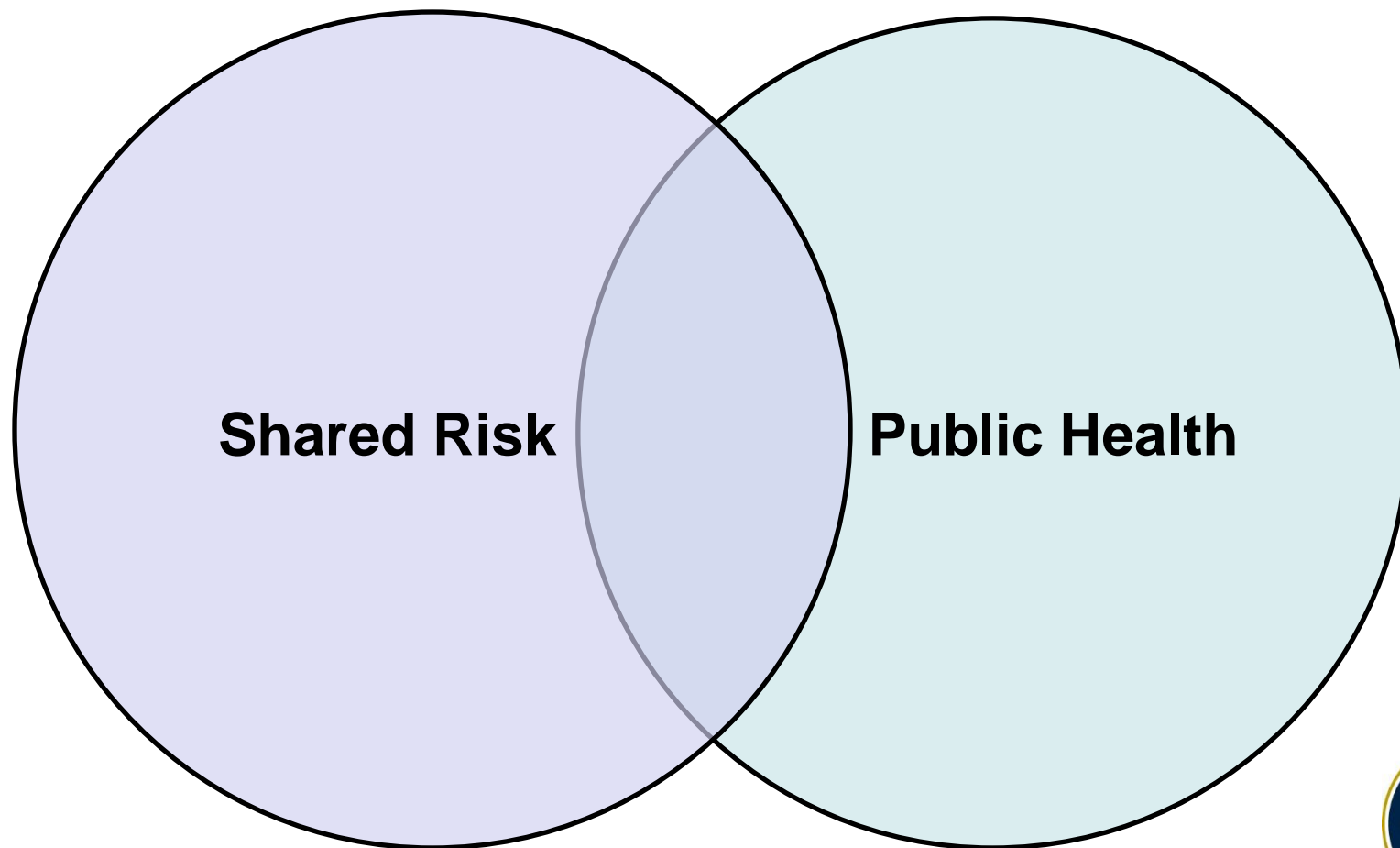


Note: the sum of the ACOs reflects the total number of unique, publicly identifiable, confirmed private-payer ACOs as of 08/2012 and public-payer ACOs as of 01/2013.



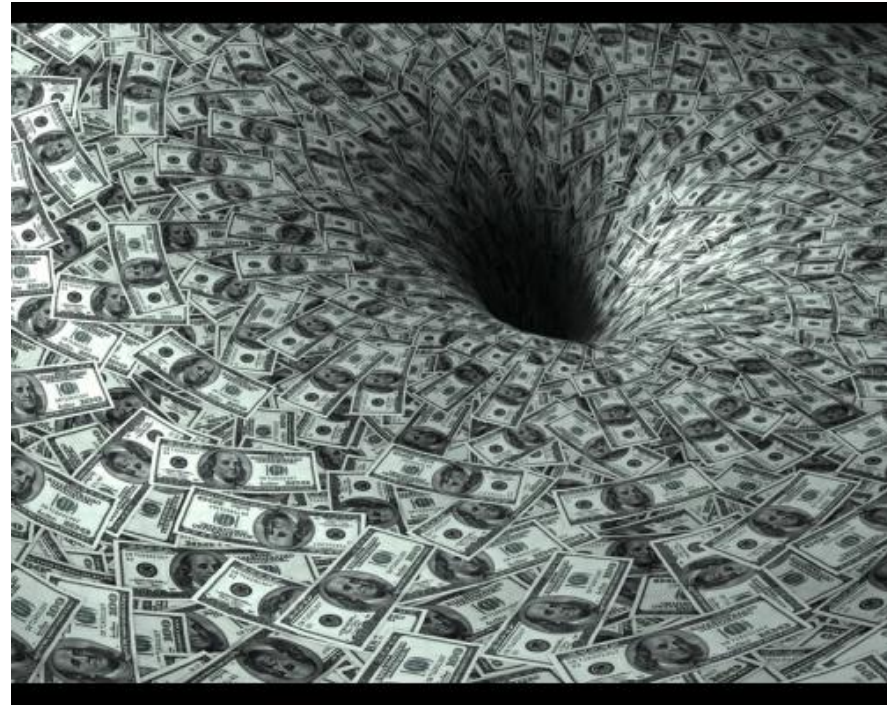
New Payment Arrangements Offer Potential for New Focus on Population Health

- Acute care system won't adopt a true public health perspective, but there are opportunities for great collaboration if risk is shared.



Implications for Public Health: New Opportunities for an Aligned Agenda

- It is easy to see the delivery system as a great sucking black hole for dollars that could be much better spent elsewhere.
- But there are new opportunities for productive partnerships where public and private health alliances help health systems meet their quality or value goals.



Implications (Continued)

- Public health officials and delivery system executives must meet mid-way (in the DMZ) and ask what they can do for each other
- Identify population health strategies that offer the opportunity to meet quality and cost objectives that are contained in new risk-based contracts



Barriers

- Cultural and psychological
 - Health system executives seen as self-interested, blind to common good, as interested in profit maximizing as public welfare.
 - They see themselves as tough-minded managers doing the best for their patients in a complex system with perverse incentives.
 - Public officials seen as either naïve do-gooders or politicians intent on their own professional survival.
 - They see themselves as promoting the public interest despite huge political, resource and regulatory obstacles and relentless, often unfair scrutiny from media.

Needed

- Macrosystem reform on both sides.
- Provider side:
 - Make promotion of public health vital to the business interests of private health systems.
 - Train providers to think about systems, not just how to treat the next patient.
- Public side:
 - Break down silos that split payers and public health officials.
 - Bring on board more leaders who understand the constraints and opportunities from provider perspective.
 - Change payment systems affecting provider behavior.



Is This the Dawn of a New Day?





The Answer is Partially Up to You